SECURITY CLASSIFICATION

NSA STAFF PROCESSING FORM

DIRECTOR			KCC CONTROL NUMBER IG-10262-03		
D/DIR, D SECRET	ARIAT	ACTI	ON APPROVAL	EXREG SUSPENSE	
SUBJECT Quarterly Report to the Intelligence Oversight Boar		X	SIGNATURE	KCC SUSPENSE	
on NSA Activities—Four	th Quarter FY03 (U/ /FOUO)		INFORMATION	ELEMENT SUSPENSE	
DISTRIBUTION				,	

SUMMARY

PURPOSE: (U//FOUO) To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: (U/#FOUO) Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. The enclosed memorandum covers all reportable activities known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. The Director's signature signifies that no other activities that require reporting are known to him.

RECOMMENDATION: (U//FOUO) Director sign the enclosed memorandum.

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

(b)(3)-P.L. 86-36

DECLASSIFY UPON REMOVAL OF THE ENCLOSURE(S)

			COORDINATION	VAPPROVAL.			
OFFICE	NAME AN	ID DATE	SECURE	OFFICE	NAME AN	D DATE	SECURE PHONE
ActingGC	Vito Potenza		5548s				
AGC(O)	<i>'</i>		3121s				
ĪG .	Joel F. Brenner	JGB 11-19-03	3544s				
D/IG		11119	3544s				
AIG(IO)		11/19	3544s				
ORIGINATOR			<u></u>	ORG D11	PHONE (Secure) 963-2984	DATE PREPARE 19 Nove	nber 2003
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NSN: 7540-F	M-001-5465		4 February 1998 FY ON: X1	_	TOP SECRET//COM	INT//NOFORN//X	:1



NATIONAL SECURITY AGENCY CENTRAL SECURITY SERVICE

FORT GEORGE G. MEADE, MARYLAND 20755-6000

25 November 2003

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U//FOUO) Report to the Intelligence Oversight Board on NSA

Activities - INFORMATION MEMORANDUM

(U/FOUO) Except as previously reported to you or the President, or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 30 September 2003, were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported pursuant to Section 1.7.(d) of Executive Order 12333.

(U/FOUO) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence) Oversight) are described in the enclosure.

OEL F. BRENNER

Inspector General

VITO T. POTENZA

Acting General Counsel

(U//FOUO) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

> MICHAEL V. HAYDEN Lieutenant General, USAF

Mukael V. Haya

Director, NSA/Chief, CSS

Encl: a/s

This Memorandum is Unclassified Upon Removal of Enclosure

DERIVED FROM: NSA/CSSM 123-2 DATED: 24 FEB 98

DECLASSIFY ON: X1

TOP SECRET//COMINT//NOFORN//X1

1. (U) INSPECTOR GENERAL ACTIVITIES

a. (C//SI) During this quarter, the Office of Inspector General (OIG) reviewed various intelligence activities of the National Security Agency/Central Security Service (NSA/CSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities.

(b) (1)
(b) (3)-P.L. 86-36

b. (C) The NSA OIG completed an inspection of the office of

The report concluded that the intelligence oversight (I/O) program is compliant. All employees receive quarterly I/O refresher training, at which time they read relevant I/O documents on the NSA Intranet. The I/O point of contact maintains records of the training.

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the NSA OIG comple	ted an inspection	on of the
	*************************	The joint inspection
report noted that the site's I/O progra	ım training and	documentation are
sound and meet minimum requireme	nts. The I/O pr	ogram manager
continuous to improve the overall pro	gram and has a	an excellent
understanding of I/O. However, I/O l	knowledge level	s vary greatly at the
; operations personnel have go	od knowledge o	f I/O, but overall site I/O
knowledge is weaker. The I/O progra	ım manager has	s thus undertaken to
increase and sustain the overall know	vledge level of r	on-operations personne

2. (U) GENERAL COUNSEL ACTIVITIES

c. (U/FOUO) Along with inspectors from

-(C//SI) The NSA Office of General Counsel (OGC) reviewed various intelligence activities of the NSA/CSS to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or concerning U.S. persons; the reporting

DERIVED FROM: NSA/CSSM 123-2

DATED: 24 FEB 98 DECLASSIFY ON: X1

(b) (3)-50 USC 3024(i)

TOP SECRET//COMINT//NOFORN//X1

of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the Foreign Intelligence Surveillance Act (FISA). With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

3. (U) SIGINT ACTIVITIES

a. (S//SI) Collection Against U.S. Persons

	(1) (U) Intentional
	(S//SI) During this quarter, the DIRNSA granted approval for consensual collection against persons. DIRNSA-approved consensual collection against U.S. persons was routinely terminated
	this quarter. (b) (1)
	(S//SI) The Attorney General granted authority to collect the
	communications of U.S. persons during this quarter,
	including the targeting of communications associated with a U.S
	owned and registered (b) (1) (b) (3) P.L. 86-36
	(b) (3)-18 USC 798 (b) (3)-50 USC 3024(i)
(b)(1) (b)(3)-P.L. 86-36	(2) (U) Unintentional
	a. (S//SI//NF) While collecting the communications of a
	the
	Office intercepted a conversation between the and a person who, based on the contents of the conversation, was
	tentatively identified as a After
	verifying with
	the
	office requested a destruction waiver for the intercept as suspected
\	criminal activity. The DIRNSA approved a destruction waiver on
	and the
	listened to the audio in in an unsuccessful effort to
	identify the suspected U.S. person.
	b. (S//SI) The Branch had been targeting and
	reporting on the officials of a company owned by a After following
	the branch discovered on that (b)(1)
(b) (1)	(b)(3)-P.L. 86-36
(b)(3)-P.L. 86-36	2

TOP SECRET//COMINT//NOFORN//X1

TOP SECRET//COMINT//NOFORN//X1

(b) (1) (b)(3)-P.L. 86-36 (b) (3) -18 USC 798 (b) (3)-50 USC 3024(i)

	a known associate of this company, whose email address had been
	targeted, was a U.S. person. The branch obtained no intercept from
	tasking the email address and immediately removed it from tasking.
	This person was mentioned in one SIGINT report (b)(1)
	1 (1) (1) DI 00 00
	nowever, the information in the report was not derived from ins
	communications. the report was canceled and
	reissued with the U.S. person's name minimized.
	c . (TS//SI) T he
	Branch targeted an individual and, on
	published a report on the that
	included information derived from the communications of this
	individual. the branch learned that the
	individual is a U.S. permanent resident alien and that a reporting
	waiver exists for him. However, since the report contained information obtained from targeting the individual, which requires separate (b)(1)
	(b)(3)-P1 86-36
	approval, it was canceled The report was
	reissued with the portion derived from the
(b) (1)	individual's communications deleted. All hardcopy and computer files
ALL COL D. T. OC. OC	derived from targeting the individual's communications have been
(b) (3) -50 USC 302	44estroyeu.
	d. (TS//SI) Branch submitted an
	update When the
	update was
	<u>'</u>
	information. As a result, messages were selected and
	forwarded to raw traffic databases. an analyst
	noticed the increase in collection, determined the cause of the problem,
	and notified the mission management office in
	corrected the terms and deleted all files that had been (b) (1)
	intercepted using the terms. (b) (3)-P.L. 86-36
	(ma yaz)
	e . (TS//SI)
	published a properly minimized report that it initially thought was
	based upon incidental collection of a U.S. person's communications.
	subsequently discovered that the report was based on
	communications derived from targeting the U.S. person's telephone
	number,
	before had been aware of the person's status as a
	(b) (1)
	(b) (3) -P.L. 86-36 (b) (3) -50 USC 3024(i)
	(D) (3)=50 080 300/03)

U.S. person, and which had failed to detask upon learning of the person's status. Upon recognizing the mistake, cancelled the report and detasked the number. f. (TS//SI) In the course of targeting the collected several telephone conversations that revealed that a employee was apparently involved in a clandestine romantic relationship with an employee. With the concurrence of the Director, the NSA Acting General Counsel for warded verbatim transcripts of the calls to the General Counsel for him to determine whether the activities reflected in the calls represent a potential violation of law that should be reported to the Department of Justice.
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reported to the Department of Subtree:
g. (TS//SI)
g. (18//81)
The FISA court order/in/effect at that time did not
contain In preparation for reaccessing collection
operations center (OC),
managed only, gathered routine information from the
under the FISA court order
that did not contain and that expired
The OC had just recently begun to manage
and the operator was not familiar with FISA restrictions. To correct
the problems, was included on the court order signed
The collected data was isolated and destroyed. The
operator was informed of his obligations under FISA and additional
training sessions to educate OC operators on FISA collection
(b) (1) (b) (3) -P.L. 86-36 operations have been scheduled with the OGC.
(b) (3)-P.L. 86-36 operations have been scheduled with the ode.
h. (S//SL/NF) This quarter, unintentional retrievals using the
raw traffic files(3) -P.L. 86-3
resulted in incidents against U.S. persons. All incidents were
reported to responsible oversight officials and corrective actions were
taken. All unauthorized traffic collected has been destroyed.
disconsisting of the second se
b. (U// FOUO) -Dissemination of U.S. Identities (b) (1) (b) (3) -P.L. 86-36
(1) (U) Intentional
(S//SI) In accordance with section 7 of USSID 18, U.S. identities were
disseminated times during this quarter. The following table
shows the justification and the number of instances of dissemination:

TOP SECRET//COMINT//NOFORN//X1

In the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked	User Requested	TOTAL
7.2.c Necessary			
7.2.c.1 Foreign Official			
7.2.c.3 International Narcotics			
7.2.c.4 Criminal Activity			
7.2.c.7 U.S. Government Official			
TOTAL			

(2) (U) Unintentional

(b)(1) (b)(3)-P.L. 86-36

(S//SI) During this quarter, SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities. Those products that contained information derived from communications of U.S. persons were not reissued.

(3) (U) Raw Traffic Dissemination Outside the SIGINT Production Chain

(S//SI	
	(b)(1) (b)(3)-P.L. 86-36
	that the personnel are
trained by the OGC on NSA's legal restrictions a	and on proper handling
and dissemination of SIGINT data	7
Personnel working in or with SID during	the fourth quarter of
fiscal year 2003 include representatives of the	(b) (3)-P.L. 86-36

- DOCID: 4165185

TOP SECRET//COMINT//NOFORN//X1

4. (U) OTHER ACTIVITIES

(U)	Assistance	to	Law	Enfo	rcement
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(S//SI) During this quarter, the SID approved requests for (b) (1) technical assistance from law enforcement, including requests from the	. 86-36

(U) Working Aids

(U//FOUO) The SID maintains "U.S. Identities in SIGINT" and a matrix of blanket reporting waivers on its web page for use by all NSA/CSS analysts. The E.O., NSA/CSS Regulation 10-30, DoD Regulation 5240.1-R, and USSID 18 are also available on-line. Several offices in SID maintain files to be used to prevent targeting of U.S. persons.

(U) New Guidance

	PIRNSA approved the use of the U.S. (b) (1) (b) (3) -P.L. rocess, and disseminate SIGINT and within current legal
	asking priorities, in response to critical
	customers. The USSS may target and
loreign interligence needs stated by	customers, The USSS may target and
1, ,	
that have	no expectation of privacy, such as

86-36

(b) (1)

(b) (3) - P.L. 86 - 36

(b)(3)-18 USC 798

(b) (3) - 50 USC 3024(i)